RNS Number : 4181Z
Springfield Properties PLC
16 September 2025

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Springfield Properties plc
("Springfield", the "Company", the "Group" or the "Springfield Group")

Final Results and Publication of Annual Report

Springfield Properties (AIM: SPR), a leading housebuilder in Scotland focused on delivering private and affordable housing, announces its final results for the year ended 31 May 2025.

Financial Highlights

	2025 £m	**2024 £m**	**Change**
Revenue	280.6	266.5	5.3%
Private housing revenue	*155.8*	*184.7*	(15.6)%
Affordable housing revenue	*49.4*	*47.0*	5.1%
Contract housing revenue	*11.0*	*5.0*	120.0%
Land sales	*60.5*	*28.1*	115.3%
Other revenue	*3.9*	*1.8*	116.7%
Gross margin (%)	18.6%	16.3%	230bps
Administrative expenses*	27.6	26.5	4.2%
Operating profit	24.2	17.0	42.4%
Adj. operating profit*	25.2	17.9	40.8%
Profit before tax	19.0	9.7	95.9%
Adj. profit before tax*	20.1	10.6	89.6%
Basic EPS (p)	11.86p	6.36p	86.5%
Adj. basic EPS* (p)	12.66p	7.05p	79.6%
Net bank debt	20.9	39.9	(47.6)%
Total dividend per share (p)	2.0p	1.0p	100.0%

** Adjusted to exclude exceptional costs of £1.0m (2024: £0.9m)*

Operational Highlights

· New strategy adopted to focus on the substantial opportunities in the North of Scotland driven by incoming energy security infrastructure and renewable development
· Discussions at an advanced stage with infrastructure providers for Springfield to satisfy their housing requirements in the North of Scotland while maximising the value of the Group's land bank
· Entered an agreement with Barratt Redrow plc ("Barratt") for the profitable sale of 2,480 plots of undeveloped land, primarily in Central Scotland, for £64.2m in cash
  o Sale has accelerated the reduction of the Group's bank debt to £20.9m (31 May 2024: £39.9m) and supports the Group in capitalising on the opportunities in the North of Scotland
· Significant progress in securing options over land in the North of Scotland, which enabled a strong submission of c. 1,400 acres of land to the Highland Council's call for new development sites
· Total completions of 799 (2024: 878), reflecting the impact of previously-highlighted subdued market conditions
· Private housing reservation rates remained stable, but a lengthening of the sales cycle reflected more cautious spending, prolonged decision-making by homebuyers and slower processing by conveyancing lawyers
· Increase in affordable housing revenue year-on-year alongside significant improvement in gross margin resulting from completion of low-margin legacy contracts and securing new contracts on much stronger commercial terms
· Large, high-quality land bank of 7,279 owned and contracted plots, 66% of which have planning permission
  o Includes 4,030 owned and contracted plots in the North of Scotland in close proximity to key work areas - in addition to the c. 1,400 acres of land submitted for the Highland Council's call for sites
· Secured, post year end, new bank facilities with Barclays to provide headroom to capitalise on opportunities in the North of Scotland: a three-year revolving credit facility with a limit of £77.5m reducing in 12 months to £47.5m alongside a 12-month overdraft facility of £2.5m

Innes Smith, Chief Executive Officer of Springfield Properties, said: "I am pleased with what we achieved this year and how we have positioned ourselves for greater success going forward. We accelerated the reduction of our bank debt and delivered an increase in both profit and revenue, despite sales continuing to be impacted by subdued market conditions. We have made the decision to refocus our strategy to capitalise on the substantial opportunities in the North of Scotland driven by incoming energy security infrastructure and renewable development.

"We have already made excellent progress in implementing this new strategy and are now in advanced discussions with infrastructure providers whereby we expect to enter an agreement in the near term for the build and multi-year lease of housing. This would allow us to receive regular income over the course of the lease as well as having further options for monetisation at its conclusion. This reflects our ability to navigate the market and our agility to deliver innovative solutions to meet housing need while maximising the value of our land bank in this area of high demand. We are very excited about the prospects in the North of Scotland, in particular, and we continue to look to the future with great confidence."

with great confidence.

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Analyst Research

Equity Development and Progressive Equity produce freely available research on Springfield Properties plc, including financial forecasts. This is available to view and download here: https://www.thespringfieldgroup.co.uk/news/updates-and-analyst-reports

Results Investor Webinar

Management will be presenting to shareholders, via a webinar hosted by Equity Development, at 9.00am BST on Wednesday 17 September 2025. Investors can register their attendance for the webinar here: https://www.equitydevelopment.co.uk/news-and-events/springfield-properties-full-year-results-investor-presentation-17-september

Operational Review

Total completions for the year ended 31 May 2025 were 799 (2024: 878). Springfield achieved an increase in revenue to £280.6m (2024: £266.5m) and in profit before tax and exceptional items to £20.1m (2024: £10.6m). The growth in revenue was driven primarily by land sales as the Group continued to realise the value of its large, high-quality land bank, most notably through an agreement to sell to Barratt undeveloped land, primarily located across Central Scotland, across six sites. This profitable land sale significantly strengthens the Group's ability to capitalise on the substantial opportunities in the North of Scotland, which are being driven by incoming energy security infrastructure and renewable development. The Group made excellent progress during the year in implementing its new strategy in the North of Scotland and is now in advanced discussions with infrastructure providers about providing a solution to the housing need that will also allow the Group to maximise the value of its land holdings in this area of high demand.

Strategic focus on the North of Scotland

During the year, Springfield made the strategic decision to focus its efforts going forward on the opportunities developing in the North of Scotland. The pace and scale of job creation across the region to deliver renewable energy infrastructure, aimed at achieving energy security, is unprecedented. This infrastructure development will require new housing for thousands of additional workers that are needed to plan, construct and operate the projects as well as the long-term growth in population as a result of the economic stimulus to the region. Research by Highlands & Islands Enterprise highlights the scale of the ambition with potential strategic investment totalling £100bn forecast over the next 25 years. To cater for this unprecedented growth, the Highland Council is targeting the construction of 24,000 homes - effectively doubling housing output over the next ten years - and is expected to be the first Local Authority to utilise new powers under Masterplan Consent Areas to streamline delivery. The increase in housing demand is also expected to support sustainable house price growth in the region.

Springfield has substantial landholdings across the region and within commuting distance to the new employment locations. The Group has a significant and established position in the local market, with experience of delivering housing across tenures and with a historic supply chain in place. The Group also has a successful track record of operating with agility to maximise opportunities. Accordingly, Springfield believes that it is exceptionally well-placed to benefit from this regional transformation and associated demand for housing.

The Group is continuing to build out and sell its existing live private and affordable housing sites in Central Scotland, which is expected to complete in c. 2-3 years, and the Group will maintain a long-term presence in the region through the Group's village developments in Dundee and Perth. However, Springfield's new projects and land purchasing are now focused on the North of Scotland.

To that end, and as described further below, the Group made significant progress during the year in securing options over land in the region, which enabled the submission of c. 1,400 acres of land for consideration in response to the Highland Council's call for new sites to be allocated for housing development in their forthcoming Local Plan. Each of Springfield's submissions were for sites that are close to existing infrastructure and deliverable within a timeframe that supports the Council's housing goals. As a result, the Group expects to achieve a further increase in the number of its sites allocated for residential development within the forthcoming Local Plan, which is expected to be finalised by the end of calendar year 2026.

During the year, the Group commenced discussions with infrastructure providers, the Scottish Government and the Councils in the North of Scotland to explore how to meet the demand for the new housing required. These discussions are now at an advanced stage with certain infrastructure providers. The infrastructure providers are seeking high-quality accommodation that addresses their workers' needs and promotes a healthier lifestyle while the workers are undertaking lengthy contracts. The infrastructure providers are also committed to creating a permanent legacy for the local communities by providing additional housing options for when the infrastructure construction work concludes. The Group is currently discussing Springfield building homes across a number of sites that would be concludes. The Group is currently discussing Springfield building homes across a number of sites that would be leased to the infrastructure providers for a fixed multi-year period. This would generate revenue for Springfield over the course of the lease period, which is expected to be approximately four years. At the conclusion of the lease, Springfield would expect to then have multiple attractive options, including private housing sales and sales to affordable housing partners and to private rented sector providers. This arrangement would enable the Group to build up a stock of homes for future sale to meet growing demand - such as from job creation due to the Inverness & Cromarty Firth Green Freeport - as well as benefit from the forecast increase in house and rental prices. The Group believes that this arrangement would maximise the value that Springfield can generate from the delivery of housing over the duration of the lease and thereafter, while satisfying the requirements of the infrastructure providers and serving the long-term needs of the local communities by providing additional high-quality housing.

Agreement with Barratt

To strengthen Springfield's ability to capitalise on the significant opportunities in the North of Scotland, the Group entered an agreement to sell to Barratt undeveloped land, primarily located across Central Scotland, equating to 2,480 plots with planning across six sites for a total of £64.2m, with proceeds to be received over four years. The sale of five sites was completed during the year and the sale of the sixth site has been completed post year end. The Group has also had non-binding discussions regarding the possible sale of additional future land holdings on a number of other sites.

This profitable land sale has enabled a significant reduction in Springfield's bank debt and made an important contribution to revenue. It has also already supported the Group's growth plans in the North by underpinning Springfield's capacity for land buying.

Land Bank

A key element of Springfield's strategy during the year, and continuing from the previous year, was realising the value of the Group's large, high-quality land bank to reduce its bank debt. During the year, the Group completed profitable sales of £60.5m, which was predominantly of land in Central Scotland through the Group's agreement with Barratt.

At the same time, the Group has strengthened its land bank in the North of Scotland by securing options over land. This enabled the Group's strong submission to the Highland Council's call for sites and builds up a valuable asset for the Group.

At 31 May 2025, Springfield had a total of 3,912 owned plots (31 May 2024: 5,593), of which 72% had planning permission (31 May 2024: 88%), and 3,367 contracted plots (31 May 2024: 6,866), of which 58% had planning permission (31 May 2024: 57%). These changes reflect the Group's agreement with Barratt and its strategic refocus on the North of Scotland. At 31 May 2025, the Group's land bank in the North of Scotland consisted of 4,030 owned and contracted plots across 50 sites, which the Group has increased since year end. In addition, Springfield has a significant amount of land under option in the North of Scotland, which enabled its strong submission of c. 1,400 acres of land to the Highland Council's call for development sites.

The total owned and contracted land bank equated to nine years of activity and had a gross development value at 31 May 2025 of £1.8bn (31 May 2024: £3.1bn).

At year end, Springfield was active on 40 developments (31 May 2024: 42) and during the year 12 developments were completed and 10 new developments became active.

Private Housing

The Group was pleased that reservation rates in private housing remained stable during the year, in line with the second half of 2024 and with limited use of incentives. However, there was a lengthening of the sales cycle reflecting more cautious spending, prolonged decision-making by buyers and slower processing by conveyancing lawyers, which impacted completions. As a result, and having started the year with a lower order book than at the same point in the previous year, the number of private home completions was 497 for 2025 compared with 584 in 2024. This also led to increased time and cost to complete sites, which impacted gross margin in private housing.

The average selling price ("ASP") for private housing during the year was £313k (2024: £316k), reflecting selling prices remaining resilient across the Group's brands.

As at 31 May 2025, Springfield was active on 25 private housing developments (31 May 2024: 29), with five active developments added during the year and nine developments completed. In total, as at 31 May 2025, the owned private housing land bank consisted of 2,598 plots (31 May 2024: 3,837 plots), of which 68% had planning permission (31 May 2024: 87%). As described above, this reflects the Group's agreement with Barratt and strategic refocus on the North of Scotland.

Affordable Housing

In affordable housing, Springfield is pleased to have delivered a year-on-year increase in revenue in line with market expectations alongside a significant increase in gross margin, which returned to double digits. The increase in gross margin was primarily due to the completion of low-margin legacy contracts at the end of 2024 and the contracts delivered in 2025 having much stronger commercial terms. As a result, there was an uplift in ASP to £207k (2024: £174k), in line with the increased pricing across the sector with the Scottish Government making higher levels of grant subsidy available to affordable housing providers. This also offset the slightly lower completions during the year of 237 (2024: 270). This reduction primarily reflects the delay to build programmes in Central Scotland as competition to secure grants for sites increased because of the knock-on impact from the reduction in grant available the year prior. This did not occur in the North due to Springfield's strong position in the region.

The number of active affordable housing developments was 14 at 31 May 2025 (31 May 2024: 10), with five active developments added during the year and one development completed. As at 31 May 2025, the total owned affordable housing land bank consisted of 1,314 plots (31 May 2024: 1,756), of which 82% had planning permission (31 May 2024: 89%).

Contract Housing

In contract housing, Springfield provides development services to third party private organisations and receives revenue based on costs incurred plus fixed mark up. To date, this has largely consisted of services provided to Bertha Park. At 31 May 2025, the contract housing land bank with planning consent consisted of 500 plots (31 May 2024: 579). The 65 homes completed during the year (2024: 24) comprised 42 private homes and 23 affordable homes at Bertha Park. The increase in completions was due to the release of a new phase of private housing at Bertha Park.

Financial Review

Revenue	2025 £'000	2024 £'000	Change
Private housing	155,776	184,734	(15.7)%
Affordable housing	49,380	46,975	5.1%
Contract housing	10,976	4,995	119.7%
Land sales	60,507	28,055	115.7%
Other	3,918	1,768	121.9%
TOTAL	**280,557**	**266,527**	**5.3%**

For the year ended 31 May 2025, revenue increased to £280.6m (2024: £266.5m). Private housing remained the largest contributor to Group revenue, accounting for 55.5% (2024: 69.3%). The lower proportion compared with the previous year is due to the reduction in private housing sales combined with the significant increase in land sales, which accounted for 21.6% of total revenue (2024: 10.5%). Affordable housing accounted for 17.6% of total revenue (2024: 17.6%), contract housing accounted for 3.9% (2024: 1.9%) and other revenue for 1.4% (2024: 0.7%).

Gross margin increased to 18.6% (2024: 16.3%) mainly as a result of the profitable land sales and the significant improvement in affordable housing gross margin primarily due to the Group's low-margin legacy contracts being completed at the end of 2024 and the contracts delivered in 2025 having much stronger commercial terms. This offset a reduction in gross margin in private housing, which was impacted by the lengthening of the sales cycle and time to complete sites. As a result, gross profit for the year increased to £52.1m (2024: £43.4m).

Administrative expenses, excluding exceptional items, were £27.6m and accounted for 9.8% of revenue (2024: £26.5m and 9.9%). This reflects a continued focus on carefully managing costs across the Group.

Exceptional items were £1.0m (2024: £0.9m), which mainly relates to restructuring costs and a provision for legal fees.

Operating profit increased to £24.2m (2024: £17.0m) driven by the profitable land sales. Excluding exceptional items, operating profit was £25.2m (2024: £17.9m).

Net finance costs were £5.2m (2024: £7.3m), which represents lower bank interest payments due to the reduction in interest rates and lower average bank debt over the period.

Statutory profit before tax increased to £19.0m (2024: £9.7m) and adjusted profit before tax and exceptional items to £20.1m (2024: £10.6m).

Basic earnings per share (excluding exceptional items) increased to 12.66 pence (2024: 7.05 pence) and statutory basic earnings per share to 11.86 pence (2024: 6.36 pence). Return on capital employed was 13.4% (2024: 8.0%), which primarily reflects the increased profit as well as lower average capital employed.

The Group continued its focus on reducing its net bank debt, which was reduced substantially to £20.9m as at 31 May 2025 (31 May 2024: £39.9m), which also included the acceleration of the receipt of a payment from Barratt that was originally scheduled for March 2026. With the reduction in debt and the increase in profit, the Group significantly improved its bank debt to EBITDA ratio to 0.8 (2024: 2.0).

Springfield has secured new bank facilities with Barclays: a revolving credit facility ("RCF") for 3 years until August 2028 with a facility limit of £77.5m reducing in 12 months to £47.5m alongside an overdraft facility of £2.5m for 12 months until August 2026. The RCF carries an interest rate of 2.1% per annum above Bank of England SONIA. The reducing facility levels align with the strategy of reducing bank debt whilst still providing the Group with headroom to capitalise on opportunities that arise.

Customer Satisfaction

For the year to 31 May 2025, the Group is pleased to report a customer satisfaction score of 96% (2024: 96%). Springfield's continued success reflects the strength of its customer offering, which includes a high specification as standard, extensive choice and consistently excellent service throughout the home buying journey.

In addition, the Group maintained its ISO 9001 Quality Management certification and is pleased to have achieved a perfect score of 100% in three independent on-site audits conducted under the New Homes Quality Code, further reinforcing the Group's dedication to quality and customer experience.

Environment and People - ESG

The Group's new strategy for housing delivery in the North of Scotland will contribute to the decarbonisation of the nation and ensuring energy security. More new homes are required to accommodate the growing renewables workforce and ensure people can move into the Highlands, Moray and Aberdeenshire to deliver this change.

The Group's homes are highly energy efficient and constructed within communities designed for residents to live sustainably. The Group employs advanced methods of construction to manufacture timber kits for its homes off-site at two strategically located regional facilities. This approach enhances efficiency, consistency and quality across its developments. Springfield continues to lead in sustainable housing solutions, particularly through the integration of air source heat pump technology. Notably, during the year, 50% of the homes delivered were built without a mains gas connection - demonstrating the Group's commitment to low-carbon living (2024: 45.5%).

The Group maintained its industry-leading commitment to training and development throughout the year, investing in the next generation of talent across its operations. For every 14 homes built, one apprentice was trained - resulting in apprentices comprising 20% of the Group's site-based workforce. The Group's dedication to continuous learning also extended to its office teams, with 6% of staff undertaking formal qualifications during the year. Recruitment and skills development are high on the agenda currently as the Group prepares for the anticipated growth in the North of Scotland and 25 new apprentices have recently been recruited.

The Group pro-actively monitors all of its operations through formal site-based inspections and audits, looking at a number of key areas to ensure the safety of employees, contractors and members of the public. The Group's continued priority is to reduce accidents and to take the lessons learned to focus on prevention. During the year, the Group also added ISO 45001 - Occupational Health & Safety Management to its list of accreditations after a rigorous external audit.

Over the past year, a series of strategic initiatives have been advanced that are designed to deliver meaningful value for people and the environment. The Group's progress is detailed in its annual ESG Strategy Update, which has been published on the Group's website, reflecting its ongoing commitment to transparency and responsible growth.

Markets

The housing market has remained subdued, primarily due to the lengthening of the sales cycle, with the number of new-build homes delivered across the UK down around a quarter compared with pre-pandemic levels.

In Scotland, a housing emergency was declared in May 2024, and a number of actions are being taken by the Scottish Government to help increase housing supply to tackle the emergency. A dedicated Cabinet Secretary for Housing was appointed in June 2025 to put housing higher up the political agenda. In her first Parliamentary statement this month, the Cabinet Secretary confirmed the Scottish Government's intention to move forward with a legislative exemption for any rent caps introduced in local markets for Build to Rent homes. This is expected to open up investment in PRS at scale in Scotland. With the PRS market currently underserved for good quality, well-managed options, the Group envisages substantial growth in this tenure and intends to play a key role in the expansion of PRS to accommodate the incoming working population in the North. As noted above, Springfield is particularly confident about the market dynamics in the North of Scotland.

The Scottish Government remains committed to its target to deliver 110,000 affordable homes by 2032. The delivery of affordable homes is an important part of Springfield's business and one that the Group is particularly proud of due to the significant impact on people's lives. In December 2024, an affordable housing supply budget of £768m was announced, an increase of 38% on the previous year. In addition, as part of its Action Plan to tackle the Housing Emergency, a new commitment has been made by the Scottish Government to deliver up to £4.9bn of investment over the next four years. The introduction of multi-year funding for affordable housing recognises housing as key infrastructure for Scotland, giving welcomed certainty and confidence to the affordable housing sector to plan and invest in new developments following a drop in construction starts. Recognising the correlation between the number of private homes delivered and the number of affordable homes provided, the Cabinet Secretary has announced an all-tenure delivery ambition, to work with the housebuilding sector to increase delivery across all sectors by at least 10% each year over the next three years.

The mortgage market across the UK remains supportive with a high number of new build products widely available. To bolster house buying, particularly amongst first time buyers, a number of consultations have been launched exploring how a relaxation in some lending criteria could help. This includes an increase in income to loan multiples and use of rental track records to demonstrate an ability to sustain monthly household bills. Giving households motivation to move and confidence that now is a good time will help the private market and Springfield is well-positioned to deliver against the demand. With the North of Scotland typically a more affordable place to live than the main cities and suburbs of Scotland and elsewhere in the UK, there is significant scope within current house price to income ratios for growth as the market strengthens.

Dividend

The Board is pleased to recommend a dividend for the year of 2p per ordinary share (2024: 1p), subject to shareholder approval at the next annual general meeting, with an ex-dividend date of 6 November 2025, a record date of 7 November 2025 and a payment date of 11 December 2025.

Outlook

Looking ahead, Springfield is very excited about the significant prospects in the North of Scotland. As noted, the Group is in advanced negotiations with infrastructure providers and expect to enter an agreement in the near term for the build and multi-year lease of housing. This would allow the Group to receive regular income over the course of the lease, which is expected to be four years, as well as having further options for monetisation at the conclusion of that term. This represents an excellent opportunity for Springfield that will allow the Group to maximise the value of its land holdings in this area of high demand.

This approach also reflects the Group's ability to navigate the market and its agility to deliver innovative solutions to meet housing demand while generating value from its high-quality land bank.

On an underlying basis, to exclude the exceptional contribution to 2025 revenue from the land sales to Barratt, the Group expects to deliver revenue growth for 2026. This reflects a year-on-year increase in revenue in both private and affordable housing, in line with the Group's expectations. While the private housing market across the UK continues to be challenging as homebuyers remain cautious, the Group expects growth to be driven by an increase in ASP and with completions being broadly level. In affordable housing, with over 80% of forecast 2026 revenue already contracted and the remainder under negotiation, Springfield is in a stronger position than it has been in recent years.

Accordingly, the Group continues to look to the future with great confidence.

Publication of Annual Report

The Company's annual report and accounts for the year ended 31 May 2025 are being sent to shareholders today and have been made available on the 'Financial Results and Reports' page of the Company's website: www.thespringfieldgroup.co.uk

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2025

	Note	2025 £000	2024 £000
Revenue	3	280,557	266,527
Cost of sales		(228,435)	(223,155)
Gross profit		**52,122**	**43,372**
Administrative expenses before exceptional items		(27,609)	(26,485)
Exceptional items	5	(1,032)	(898)
Total administrative expenses		(28,641)	(27,383)
Other operating income		711	1,021
Operating profit		**24,192**	**17,010**
Finance income		361	159
Finance costs		(5,534)	(7,501)
Profit before taxation		**19,019**	**9,668**
Taxation	4	(4,923)	(2,120)
Profit for the year and total comprehensive income		**14,096**	**7,548**
Profit for the year and total comprehensive income is attributable to:			
Owners of the parent company		14,096	7,548
		14,096	**7,548**
Earnings per share			
Basic	7	11.86p	6.36p
Diluted	7	11.28p	6.12p

The Group has no items of other comprehensive income.

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MAY 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment		6,783	7,184
Intangible assets		5,435	5,698
Deferred taxation		1,852	1,787
Trade and other receivables		11,191	5,000
		25,261	**19,669**
Current assets			
Inventories		223,892	244,297
Trade and other receivables		41,096	26,352
Cash and cash equivalents		9,388	14,935
		274,376	**285,584**
Total assets		**299.637**	**305.253**

	Note		
Current liabilities			
Trade and other payables		55,735	49,632
Short-term bank borrowings	**8**	30,282	54,839
Deferred consideration	**9**	7,469	7,339
Short-term obligations under lease liabilities		1,351	1,567
Provisions	**11**	1,871	2,018
Corporation tax		2,752	1,342
		99,460	**116,737**
Non-current liabilities			
Trade and other payables		1,550	-
Long-term obligations under lease liabilities		4,160	3,971
Deferred taxation		2,866	2,958
Deferred consideration	**9**	14,491	17,123
Contingent consideration	**10**	2,000	2,000
Provisions	**11**	3,855	4,257
		28,922	**30,309**
Total liabilities		**128,382**	**147,046**
Net assets		**171,255**	**158,207**
Equity			
Share capital	**12**	149	148
Share premium	**12**	78,744	78,744
Retained earnings		92,362	79,315
Equity attributable to owners of the parent company		**171,255**	**158,207**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2025

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
1 June 2023		148	78,744	71,741	150,633
Total comprehensive income for the year		-	-	7,548	7,548
Share-based payments	**12**	-	-	26	26
31 May 2024		**148**	**78,744**	**79,315**	**158,207**
Issue of shares	**12**	1	-	-	1
Total comprehensive income for the year		-	-	14,096	14,096
Share-based payments	**12**	-	-	139	139
Dividend	**6**	-	-	(1,188)	(1,188)
31 May 2025		**149**	**78,744**	**92,362**	**171,255**

The share capital account records the nominal value of shares issued.

The share premium account records the amount above the nominal value received for shares issued, less share issue costs.

Retained earnings represents accumulated profits less losses, and distributions. Retained earnings also includes share based payments.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR TO 31 MAY 2025

Cash flows generated from operations	**Note**	**2025 £000**	**2024 £000**
Profit for the year - Adjusted for:		14,096	7,548
Exceptional items	**5**	1,032	898
Taxation charged	**4**	4,923	2,120
Finance costs		5,534	7,501
Finance income		(361)	(159)
Adjusted operating profit before working capital			

movement		**25,224**	**17,908**
Exceptional items	**5**	(1,032)	(898)
Gain on disposal of tangible fixed assets		(140)	(215)
Gain on disposal of investment		-	-
Share-based payments	**12**	139	26
Non-cash movement		899	-
Amortisation of intangible fixed assets		263	259
Depreciation and impairment of tangible fixed assets		2,135	2,332
Operating cash flows before movements in working capital		**27,488**	**19,412**
Decrease in inventory		19,511	32,086
Increase in accounts and other receivables		(20,348)	(2,497)
Increase/(decrease) in accounts and other payables		7,089	(4,496)
Net cash from operations		**33,740**	**44,505**
Taxation paid		(3,675)	(1,818)
Net cash inflow from operating activities		**30,065**	**42,687**
Investing activities			
Purchase of property, plant and equipment		(156)	(177)
Proceeds on disposal of property, plant and equipment		244	270
Interest received		140	155
Purchase of intangible assets		-	(4)
Net cash generated from investing activities		**228**	**244**
Financing activities			
Deferred consideration paid on acquisition of subsidiary	**14**	(2,857)	(12,141)
Repayment of bank loans	**14**	(24,908)	(15,834)
Payment of lease liabilities	**14**	(2,142)	(2,234)
Dividends paid	**6**	(1,188)	-
Interest paid		(5,096)	(6,696)
Net cash outflow from financing activities		**(36,191)**	**(36,905)**
Net (decrease)/increase in cash and cash equivalents		**(5,898)**	**6,026**
Cash and cash equivalents at beginning of year		14,935	8,909
Cash and cash equivalents at end of year		**9,037**	**14,935**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR TO 31 MAY 2025

1. Organisation and trading activities

Springfield Properties Plc is incorporated and domiciled in Scotland as a public company limited by shares and operates from its registered office in Alexander Fleming House, 8 Southfield Drive, Elgin, Morayshire, IV30 6GR.

The principal activities are construction and sale of residential properties for private individuals, affordable homes in partnership with third party councils and housing associations and contracting for private rented sector alongside land development and promotion.

2. Summary of significant accounting policies

The principal accounting policies adopted and applied in the preparation of the financial statements are set out below. These have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of accounting

The financial statements of Springfield Properties Plc have been prepared in accordance with UK adopted international accounting standards. The Group has adopted all the standards and amendments to existing standards that are mandatory for accounting periods beginning on 1 June 2024. The financial statements have been prepared under the historical cost convention except for contingent consideration.

The following standards have been issued but have not been applied by the Group in these financial statements. These amendments to standards and interpretations had no significant impact on the financial statements:

- Amendments to IAS 1 'Classification of liabilities as current or non-current'
- Amendments to IAS 1 'Classification of liabilities as current or non-current- Deferral of Effective Date'
- Amendments to IAS 1 'Non-current Liabilities with Covenants'
- Amendments to IFRS 16 'Lease liability in a sale and leaseback'
- Amendments to IAS 7 and IFRA 7 'Supplier Finance Arrangements'

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 June 2024 and have not been early adopted:

- Amendments to IAS 21 'Lack of Exchangeability'
- Amendments to IFRS 7 and IFRS 9 'Classification and Measurement of Financial Instruments'

- Amendments to IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The new standards and amendments to the standards noted above are expected to have no significant impact on the financial statements.

Prior period reclassification

As part of the purchase of Tulloch Homes Holdings Limited in December 2021 there was deferred consideration payable. The final payment of £6.5m was made in the financial year ended May 2024. The deferred consideration has been treated as a loan from the seller which meets the definition of IAS 7 para 17(d). This supports the classification of the payment as a financing activity within the consolidated statement of cashflows. The company statement of cashflows, however, incorrectly classified this payment as an investing activity. The May 2024 company statement of cashflows has been restated to reclassify the £6.5m payment from investing activities to financing activities. There was no impact on net cash flows for the period.

The above change was prompted by an enquiry from the Corporate Reporting Review team of the Financial Reporting Council (FRC) as part of its regular review and assessment of the quality of corporate reporting in the UK. The Group agreed to make the change above within the 2025 financial statements. The FRC's review was limited to the May 2024 annual report and accounts and the FRC does not benefit from a detailed knowledge or understanding of the underlying transactions of the Group and it provides no assurance that the annual report and accounts are correct in all material aspects.

2.2 Basis of consolidation

The consolidated financial statements incorporate those of Springfield Properties Plc and its subsidiaries. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Contingent consideration is measured at its fair value at the date of acquisition. If the contingent consideration meets the definition of equity, it is not remeasured, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date with subsequent changes in the fair value of the contingent consideration recognised in the consolidated profit and loss account.

All financial statements are made up to 31 May 2025. All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

2.3. Functional and presentation currencies

The financial statements are presented in Pound Sterling (£), rounded to the nearest £000, which is also the currency of the primary economic environment in which the Group operates (its functional currency).

2.4. Going concern

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue to meet its liabilities and other obligations for the foreseeable future.

The Group's business activities, together with factors that the Directors consider are likely to affect its development, financial performance and financial position, are set out in the Strategic Report on pages 4 to 35 of the Group's annual report for the year ended 31 May 2025 (the "2025 Annual Report").

The material financial and operational risks and uncertainties that may affect the Group's performance and their mitigation are outlined on pages 15 to 17 of the 2025 Annual Report, and financial risks including liquidity, market, interest and capital risks are outlined in Note 28 to the Financial Statements in the 2025 Annual Report.

Net bank debt at 31 May 2025 was significantly reduced to £20.9m (31 May 2024: £39.9m), reflecting the Group's sustained focus on reducing the debt position and was ahead of the target of £38m set at this time last year.

The revolving credit facility of £87.5m that was due to expire in January 2026 and overdraft of £2.5m in place until September 2025 have been replaced by a new revolving credit facility of £77.5m with an expiry date of August 2028 and an overdraft facility of £2.5m in place until August 2026 to provide working capital facilities. The revolving credit facility level of £77.5m will reduce to £47.5m in August 2026 in line with the Group strategy of reducing debt.

In order to support the going concern period to 30 September 2026, the Board-approved budget to May 2026, with a further year added to May 2027, forms the basis of the detail and assessment to confirm the appropriateness of the going concern basis being adopted for the preparation of the 31 May 2025 statutory accounts.

In addition to the Board budget, two sensitivity scenarios have been prepared reducing private home sales by c. 5% and c. 10% in the year to May 2026 from the original Board-approved budget. Under the 10% reduction scenario, the peak borrowing utilises c. 85% of the banking facilities. Under this scenario there are a number of mitigating actions that are within the control of the Group and could be pursued if required.

Under all three scenarios the Group is able to operate within its bank facilities and covenants and at May 2026, the bank facility utilisation based on the Board-approved budget is forecast to be around 10%.

The Group continues to retain the discipline around controlling build spend on sites and continues to adopt a cautious approach to new site openings. The profitable land sales in the year again demonstrate the ability to generate cash quickly - there remains strong interest in the Group's land bank should the Group wish to make further sales.

Accordingly, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Group and Company will generate sufficient cash to meet their liabilities as and when they fall due for a period of 12 months from the signing of the annual report and financial statements for the year ended 31 May 2025.

2.5. Revenue and profit recognition

Sale of private housing

Revenue on private home sales is recognised at a point in time and the performance obligation is the transfer of the completed property to the customer on legal completion and receipt of cash. Revenue is measured at the fair value of the consideration received net of VAT and trade discounts.

The Group's site valuation process determines the forecast profit margin for each site. The valuation process acts as a method of allocating land costs and construction costs of a development to each individual plot based on the overall development margin and drives the recognition of costs in the profit and loss account as each plot is sold. Any changes in the forecast profit margin of a site from changes in sales prices or costs to complete is recognised across all homes sold in both the current period and future periods.

Revenue on contracts recognised over time - affordable housing

Revenue from affordable housing contracts is recognised over time as development progresses as the construction activity enhances an asset controlled by the customer.

Where the outcome of a contract can be estimated reliably, the amount of revenue recognised depends on the stage of completion. This is based on the development costs incurred as a proportion of the total expected development costs (the input method).

Contractual cashflows are determined by independent surveys of work performed to date. These do not always align with the revenue recognised on the underlying performance obligation and any cashflows received that are in excess of the revenue recognised are included as contract liabilities. Where the cashflows received are less than revenue recognised the difference is included within contract assets.

Revenues derived from variations on contracts are recognised only when they can be reliably measured. Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. When it is probable that total contract costs will exceed contract turnover, the expected loss is recognised as an expense immediately.

Contract housing revenue

Revenue from contract housing is recognised monthly based on an agreed mark up of cost incurred.

Costs are measured and valued monthly by quantity surveyors before invoices are issued to the customer.

Land sales

Revenue from land sales is recognised on legal completion based on fair value at transfer. Where revenue receipts are deferred into a future period, a discounting adjustment is made to the revenue recognised, with the discount unwinding over the deferred payment period.

Plant hire revenue

Plant hire revenue represents amounts receivable for the short-term hire of plant and equipment. Revenue is recognised when the hire period commences and the customer benefits from the use of the plant and equipment and is recognised evenly throughout the hire period.

2.6. Net finance costs

Finance costs comprise interest payable on bank loans and the unwinding of the discount from nominal to present day value of provisions, discounted deferred consideration on acquisitions and lease liabilities. Finance costs are capitalised when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Finance income comprises the unwinding of the discount from nominal to present day value of shared equity loan receivables and deferred land sales income. Interest income and interest payable is recognised in the profit and loss account on an accruals basis.

2.7. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax assets and liabilities are recognised on temporary differences arising between thetax bases of assets and liabilities and their carrying amounts in the financial statements. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affects neither the tax profit nor the accounting profit, and differences relating to investments in subsidiaries to the extent that they will probably not accounting profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

A deferred tax asset is recognised for unused tax losses and unused tax credits only if it isprobable that future taxable amounts will arise against which those temporary differences and losses may be utilised.

2.8. Exceptional items

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the profit and loss account to enable a full understanding of the Group's financial performance.

Transactions that may give rise to exceptional items include transactions relating to acquisitions and costs relating to changes in share capital structure as well as redundancy and restructuring costs.

2.9. Property, plant and equipment

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Buildings	- 2% and 5% straight line
Plant and machinery	- 2-10 years straight line
Fixtures, fittings & equipment	- 2-5 years straight line
Motor vehicles	- 4-5 years straight line
Right-of-use leased assets	- over the lease term, straight line with no residual value

Land is not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss account.

2.10. Intangible fixed assets

Intangible assets comprise market-related assets (e.g. trademarks, website developments and brands) and goodwill on acquisition.

Market-related assets

Trademark assets in relation to Springfield Properties Plc are expected to have an indefinite useful life; however, impairment reviews are performed annually. Any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

The brand asset in relation to Tulloch Homes has a 15-year useful life and amortisation is charged on a straight-line basis.

Goodwill on acquisition

Goodwill on acquisitions of subsidiaries or businesses represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Impairment reviews are performed annually with any impairment losses being recognised immediately in the profit and loss account.

2.11. Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised immediately in the profit and loss account. Costs associated with the acquisition of subsidiaries are recognised in the profit and loss account as an exceptional item.

2.12. Impairment of fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in the profit and loss account.

2.13. Inventories and work in progress

Property, including land held under development, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as stock and is measured at the lower of cost and net realisable value.

Cost comprises the invoiced value of the goods purchased and includes attributable direct costs, labour and overheads and where possible and directly attributable to site, finance costs will be included.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in the profit and loss account.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account.

Where sites are 'secured' via option agreements, these sites are only included as stock when the agreement becomes unconditional.

Options included as part of stock are stated at the lower of cost and net realisable value.

2.14. Financial instruments

Financial instruments are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets at amortised cost

Financial assets are recognised initially at cost. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans outside the Group are valued at the recoverable amount and a market rate of interest is charged.

Impairment of financial assets

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through the profit and loss account. Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and, in the Parent Company, intercompany receivables, the Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

All of the Group's financial liabilities are measured at fair value or amortised cost.

Other financial liabilities

Other non-derivative financial liabilities are initially measured at fair value. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of other financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.15. Deferred and contingent consideration

Deferred consideration payments are initially recognised at fair value at the date of acquisition which is based on the timing of the cash outflows and an appropriate discount rate. It is subsequently measured at amortised cost.

Contingent consideration is based on an assessment of the likelihood of the payment becoming due. It is initially recognised at fair value at the date of acquisition and subsequently measured at fair value through the profit and loss account.

2.16. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.17. Dividends

Dividends are recognised as liabilities in the period in which the dividends are approved and once they are no longer at the discretion of the Company.

2.18. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets (less than £5,000) and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received. Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease. Right-of-use assets comprise the Group's existing premises in Elgin, Larbert, Inverness and Glasgow along with certain items of office equipment and motor vehicles.

2.19. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of share issue costs. Share capital represents the amount subscribed for shares at nominal value.

The share premium account represents premiums received on the initial issuing of the share capital. Any share issue costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Any bonus issues are also deducted from share premium.

Retained earnings include all current and prior period results as disclosed in the profit and loss account.

2.20. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant and recognised as an expense over the vesting period. The amount recognised as an expense is adjusted for leavers to the scheme. Fair value is measured by use of a relevant pricing model.

2.21. Provisions

Provisions include dilapidations to cover the Group's leased properties with an upfront liability recognised. Maintenance provisions relate to the costs to come on developments where the final homes have been handed over.

3. Segmental reporting

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Board. The Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

The Board regularly reviews the Group's profit and loss account and balance sheet position at both a divisional and consolidated level. Each of these divisions is an operating segment as defined by IFRS 8 in that the Directors assess performance and allocate resources at this level. The divisions have been aggregated into one reporting segment on the basis that they share similar economic characteristics. In addition, each division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and housing associations, has a comparable sales process and operations, and are all subject to the same macroeconomic factors including mortgage availability and Government policy.

During the year, the Group sold undeveloped land across 5 sites to Barratt Redrow plc for £60.3m, this represents 21.5% of total revenue.

As the Group operates solely in the United Kingdom segment, reporting by geographical region is not required.

	2025	2024
Revenue	**£000**	**£000**
Private housing	155,776	184,734
Affordable housing	49,380	46,975
Contract housing	10,976	4,995
Land sales	60,507	28,055
Other	3,918	1,768
Total revenue	**280,557**	**266,527**

Gross profit	**52,122**	**43,372**
Administrative expenses	(27,609)	(26,485)
Exceptional items	(1,032)	(898)
Other operating income	711	1,021
Finance income	361	159
Finance expenses	(5,534)	(7,501)
Profit before tax	**19,019**	**9,668**
Taxation	(4,923)	(2,120)
Profit for the period	**14,096**	**7,548**

4. Taxation

	2025 £000	2024 £000
Current tax		
UK corporation tax on profits for the current period	4,952	2,824
Adjustments in respect of prior periods	127	(43)
	5,079	**2,781**
Deferred tax		
Origination and reversal of timing differences	(77)	(660)
Adjustments in respect of prior periods	(79)	(1)
	(156)	**(661)**
	4,923	**2,120**

The charge for the year can be reconciled to the standard rate of tax as follows:

	2025 £000	2024 £000
Profit before tax	19,019	9,668
Tax at the UK corporation tax rate of 25% (2024: 25%)	4,755	2,417
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	383	55
Adjustments in respect of prior years	127	(43)
Depreciation on assets not qualifying for tax allowances	16	(42)
Deferred tax adjustments in respect of prior years	(79)	(1)
Temporary difference not recognised	(226)	34
Other timing differences	(89)	(27)
Adjust deferred tax to closing average rate	(1)	(273)
Residential property tax	37	-
Tax charge for period	**4,923**	**2,120**

5. Exceptional items

	2025 £000	2024 £000
Legal fees	500	-
Redundancy costs	532	898
	1,032	**898**

6. Dividends

For the year to 31 May 2025, a final dividend of 2p per share is proposed to be paid. No interim dividend was paid during the year.

In respect of the prior year, a final dividend of 1p per share was paid, which amounted to £1,188,304.

7. Earnings per share

The basic earnings per share is based on the profit for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 May 2025 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

In respect of diluted earnings per share, the weighted average is calculated by adjusting for all outstanding share options that are potentially dilutive (i.e. where the exercise price is less than the average market price of the shares during the year).

	2025 £000	2024 £000
Profit for the year attributable to owners of the Company	14,096	7,548
Adjusted for the impact of tax adjusted exceptional costs in the year	945	811
Adjusted earnings	15,041	8,359
Weighted average number of ordinary shares for the purpose of basic earnings per share	118,839,353	118,572,439
Effect of dilutive potential shares: share options	6,082,522	4,830,426
Weighted average number of ordinary shares for the purpose of diluted earnings per share	124,921,875	123,402,865
Earnings per ordinary share		
Basic earnings on profit for the year	11.86p	6.36p
Diluted earnings on profit for the year	11.28p	6.12p

Adjusted earnings per ordinary share (1)

Basic earnings on profit for the year	12.66p	7.05p
Diluted earnings on profit for the year	12.04p	6.77p

(1) Adjusted earnings is presented as an additional performance measure and is stated before exceptional items and is used in adjusted EPS calculation.

8. Bank borrowings

Secured borrowings:	2025 £000	2024 £000
Bank loans	29,931	54,839
Bank overdrafts	351	-
	30,282	54,839
Less: payable within one year	(30,282)	(54,839)
Payable after one year	-	-

The bank loan comprises a revolving credit facility of £87.5m that was due to expire in January 2026. Subsequent to the year end, this has been replaced by a new three-year revolving credit facility of £77.5m. The revolving credit facility level of £77.5m will reduce to £47.5m in August 2026 until August 2028 in line with the Group strategy of reducing debt. The facility attracts an interest rate of 2.1% per annum above Bank of England SONIA (Sterling overnight index average response rate) and is secured over certain of the Group's properties, with a 31 May 2025 work in progress value of £83.8m.

At 31 May 2025, the Group had available £57.5m (2024: £32.5m) of undrawn committed borrowing facilities.

At 31 May 2025, the Group had an overdraft facility of £2.5m (2024: £12.5m). In August 2025, the overdraft facility was renewed at a level of £2.5m.

The Group's lender has a floating charge over the assets of the Company and of its subsidiaries.

9. Deferred consideration

As part of acquiring the housebuilding business of Mactaggart & Mickel Group Limited, there was a further £30,781,108 of deferred consideration payable. This is payable quarterly in arrears as homes are sold starting from August 2023. There is a minimum annual payment of £7,695,277, subject to a one-off 12-month payment holiday, which has been taken for year ended 31 May 2025. The outstanding discounted amount payable at the period end was £21,960,440 (2024: £24,462,203).

	2025 £000	2024 £000
Acquisition of the housebuilding business of Mactaggart & Mickel Group Limited	21,960	24,462
	21,960	**24,462**

	2025 £000	2024 £000
Deferred consideration < 1 year	7,469	7,339
Deferred consideration > 1 year	14,491	17,123
	21,960	**24,462**

10. Contingent consideration

As part of the purchase agreement of Dawn Homes Holdings Limited, there was a further £2,500,000 payable for an area of land if (i) the Group make a planning application when it reasonably believes the council will recommend approval; or (ii) it is zoned by the council. The Directors have assessed the likelihood of the land being zoned and have included a liability of £2,000,000 based on 80% probability. The outstanding amount payable at the period end included within liabilities is £2,000,000 (2024: £2,000,000). The remaining £500,000 (20% on the £2,500,000 still to be paid) has been treated as a contingent liability due to the uncertainty over the future payment.

	2025 £000	2024 £000
Acquisition of Dawn Homes Holdings Limited	2,000	2,000
	2,000	**2,000**

11. Provisions

Dilapidation provisions are included for all rented buildings within the Group. Maintenance provisions relate to costs to come on developments where the final homes have been handed over.

	2025 £000	2024 £000
Dilapidation provision	113	113
Maintenance provision	5,613	6,162
	5,726	**6,275**

The movement in the provision accounts are as follows:

	Dilapidation	Maintenance	Total

	£000	£000	£000
Balance as at 1 June 2024	113	6,162	6,275
Additional provision	-	3,421	3,421
Amount utilised	-	(3,482)	(3,482)
Amount released	-	(488)	(488)
Balance as at 31 May 2025	**113**	**5,613**	**5,726**

	2025 £000	2024 £000
Provisions < 1 year	1,871	2,018
Provisions > 1 year	3,855	4,257
	5,726	**6,275**

12. Share capital

The Company has one class of ordinary share which carry full voting rights but no right to fixed income or repayment of capital. The share capital account records the nominal value of shares issued. The share premium account records the amount above the nominal value received for shares sold, less share issue costs.

Ordinary shares of 0.125p - authorised, allotted, called up and fully paid	Number of shares	Share capital £000	Share premium £000
At 1 June 2024	**118,669,124**	**148**	**78,744**
Share issue	373,281	1	-
At 31 May 2025	**119,042,405**	**149**	**78,744**

During the year, 373,281 shares (2024: 173,123) were issued in satisfaction of share options exercised for a consideration of £467 (2024: £26).

Share-based payments

During the year, the Group operated four share-based schemes.

Share-related share options scheme

The Group operates a Savings related Share Option Scheme that is open to all employees. Grant options were made in October 2024 and become exercisable after 3 years, subject to employees remaining in continuous employment. Employees enter into a savings contract with Equiniti Limited who administers the scheme. The options are granted at a 10% discount of the share price at the date of grant and lapse if not exercised within six months of maturity. Special provisions apply to employees who leave their employment for ill health, redundancy or retirement.

Long-Term Incentive Plan (LTIP)

The Company operates an LTIP for senior management to retain and align their interests with shareholders. The LTIP is split into a CSOP, ESOP and Performance Share Plan ("PSP") scheme. The PSP was introduced during the prior year and under which key executives could be granted conditional "whole share" awards (i.e. rights to acquire shares where the individual is required to pay a zero or negligible exercise price) the vesting of which is normally conditional on both continued employment and the satisfaction of specified performance measures.

Fair value of share options

Options are valued using the Black-Scholes option-pricing model. No performance conditions are included in the fair value calculation.

CSOP

	2025		2024	
	Number of shares	Weighted average exercise price (pence)	Number of shares	Weighted average exercise price (pence)
Options at the beginning of the year	583,638	114.64	606,413	115.28
Lapsed during the year	(34,339)	108.90	(22,775)	131.72
Options at the year end	549,299	115.00	583,638	114.64

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
CSOP - 16th October 2017	106.00	279,520	106.00	3
CSOP - 8th December 2017	111.00	27,027	111.00	3
CSOP - 3rd May 2018	134.00	22,388	134.00	3
CSOP - 16th May 2018	134.00	91,746	134.00	3
CSOP - 1st October 2018	122.50	92,127	122.50	3
CSOP - 4th June 2019	108.50	36,491	108.50	3

ESOP	2025 Number of shares	2025 Weighted average exercise price (pence)	2024 Number of shares	2024 Weighted average exercise price (pence)
Options at the start of the year	1,683,481	118.71	1,727,589	118.80
Lapsed during the year	(94,537)	117.56	(44,108)	122.14
Options at the year end	1,588,944	118.78	1,683,481	118.71

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
ESOP - 16th October 2017	106.00	417,130	106.00	3
ESOP - 3rd May 2018	134.00	72,761	134.00	3
ESOP - 16th May 2018	134.00	11,157	134.00	3
ESOP - 1st October 2018	122.50	1,087,896	122.50	3

SAYE	2025 Number of shares	2025 Weighted average exercise price (pence)	2024 Number of shares	2024 Weighted average exercise price (pence)
Options at the start of the year	424,785	130.50	1,084,972	130.50
Granted during the year	1,489,050	97.00	-	-
Lapsed during the year	(633,742)	119.45	(660,187)	130.50
Options at the year end	1,280,093	97.00	424,785	130.50

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting period (years)
SAYE - 1st November 2024	108.00	1,280,093	97.00	3

PSP	2025 Number of shares	2025 Weighted average exercise price (pence)	2024 Number of shares	2024 Weighted average exercise price (pence)
Options at start of the year	4,385,999	0.13	2,853,274	0.13
Granted during the year	1,330,430	0.13	2,161,933	0.13
Lapsed during the year	(1,204,747)	0.13	(456,085)	0.13
Exercised during the year	(373,281)	0.13	(173,123)	0.13
Options at the year end	4,138,401	0.13	4,385,999	0.13

Share option	Grant Price (p)	Number of shares at year end	Exercise price (p)	Vesting Period (years)
PSP - 9th January 2020	0.13	7,337	0.13	3
PSP - 30th October 2020	0.13	15,195	0.13	3
PSP - 21st December 2021	0.13	23,861	0.13	3
PSP - 28th March 2023	0.13	743,325	0.13	3
PSP - 30th October 2023	0.13	2,090,047	0.13	3
PSP - 28th October 2024	0.13	1,258,636	0.13	3

Inputs used to determine fair value of options

	CSOP	ESOP	SAYE	PSP
Expected volatility	29.00%	29.00%	29.00%	17.83%
Risk-free interest rate	0.49%	0.49%	0.49%	-1.91%
Expected dividends	-	-	-	2.5%
Fair value of options	34.00p	39.00p	37.00p	49.04p
Charge per option	32.00p	37.00p	35.00p	49.04p

Expected volatility was calculated using historical share price information of the housebuilding sector for the CSOP and ESOP and the 12-month average Springfield share price prior to the grant of the PSP options.

CSOP - nil (2024: nil) of options were exercised during the year and 549,299 (2024: 547,147) shares were exercisable.

ESOP - nil (2024: nil) of options were exercised during the year and 1,588,944 (2024: 1,683,481) shares were exercisable.

SAYE - nil (2024: nil) of options were exercised during the year and nil (2024: 424,785) shares were exercisable.

PSP - 373,281 (2024: 173,123) of options were exercised during the year and 46,393 (2024: 183,810) shares were exercisable.

Charge for share-based incentive schemes

The total charge for the year relating to employee share-based plans was £139k (2024: £26k), all of which related to equity-settled share-based payment transactions.

13. Transactions with related parties

Other related parties include transactions with retirement schemes in which Directors and close family members of key management personnel are beneficiaries. During the year, dividends totalling £286k (2024: £nil) were paid to key management personnel (Board of Directors and the members of the Operational Board). Dividends were paid to Board of Directors as follows:

Name of Director	2025 £000	2024 £000
Mr Sandy Adam	276	-
Mr Innes Smith	10	-
	286	**-**

The remuneration of the key management personnel (Plc Directors and Group Directors) of Springfield Properties Plc is set out below in aggregate for each of the categories specified in IAS 24 - Related Party Disclosures:

	2025 £000	2024 £000
Short-term employee benefits	4,874	2,542
Post employment benefits	281	248
Share-based payments	110	9
	5,265	**2,799**

During the year, the Group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2025 £000	**2024 £000**	**2025 £000**	**2024 £000**
Bertha Park Limited (1)	11,258	4,906	-	319
Other entities that key management personnel have control, significant influence or hold a material interest in	64	41	16	20
Key management personnel	13	46	-	-
Other related parties	13	156	2,518	2,016
	11,348	**5,149**	**2,534**	**2,355**

Sales to related parties represent those undertaken in the ordinary course of business.

	Rent paid	
	2025 £000	**2024 £000**
Entities that key management personnel have control, significant influence or hold a material interest in	187	80
Other related parties	103	64
	290	**144**

	2025 £000	2024 £000
Interest received:		
Entities that key management personnel have control, significant influence or hold a material interest in (short-term)	125	125
	125	**125**

The following amounts were outstanding at the reporting end date:

	2025 £000	2024 £000
Amounts receivable:		
Bertha Park Limited (1)	9,394	7,259
Other entities that key management personnel have control, significant influence or hold a material interest in (short-term)	2	-
Key management personnel	4	1
Other related parties	2	36
	9,402	**7,296**

	2025	2024
	£000	£000
Accounts payable:		
Other related parties	2,928	2,343
	2,928	**2,343**

Amounts owed to/from related parties are included within creditors and debtors respectively at the year-end. No security has been provided on any balances.

Transactions between Group companies have been eliminated on consolidation and are not disclosed in this note.

(1) Bertha Park Limited is a Company in which Sandy Adam and Innes Smith are Directors. During the year, the Group made sales to Bertha Park Limited of £11,348k (2024: £4,906k) in relation to a build contract. At the year-end, £4,394k (2024: £2,259k) is included in trade debtors and included within other debtors is a loan of £5,000k (2024: £5,000k). During the year, the Group had purchases from Bertha Park Limited of £nil (2024: £319k) in relation to a build contract.

14. Analysis of net debt

The analysis of net debt is as follows:

	2025	2024
	£000	£000
Cash in hand and bank	9,388	14,935
Bank borrowings - loan	(29,931)	(54,839)
Bank borrowings - overdraft	(351)	-
	(20,894)	(39,904)
Lease liability	(5,511)	(5,538)
Net debt	**(26,405)**	**(45,442)**
Deferred consideration	(21,960)	(24,462)
	(48,365)	**(69,904)**

Reconciliation of net cashflow to movement in net debt is as follows:

	At 1 June 2024	New leases	Cashflow	Fair value	At 31 May 2025
	£000	£000	£000	£000	£000
Cash and cash equivalents	14,935	-	(5,547)	-	9,388
Bank borrowings - loan	(54,839)	-	24,908	-	(29,931)
Bank borrowings - overdraft	-	-	(351)		(351)
Leases	(5,538)	(1,705)	2,142	(410)	(5,511)
Net debt	**(45,442)**	**(1,705)**	**21,152**	**(410)**	**(26,405)**
Deferred consideration	(24,462)	-	2,857	(355)	(21,960)
	(69,904)	**(1,705)**	**24,009**	**(765)**	**(48,365)**

	At 1 June 2023	New leases	Cashflow	Fair value	At 31 May 2024
	£000	£000	£000	£000	£000
Cash and cash equivalents	8,909	-	6,026	-	14,935
Bank borrowings	(70,673)	-	15,834	-	(54,839)
Leases	(5,900)	(1,593)	2,234	(279)	(5,538)
Net debt	**(67,664)**	**(1,593)**	**24,094**	**(279)**	**(45,442)**
Deferred consideration	(36,117)	-	12,141	(486)	(24,462)
	(103,781)	**(1,593)**	**36,235**	**(765)**	**(69,904)**

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